



The Patient Protection and Affordable Care Act

Providing Affordable Choices for Small Businesses

The *Patient Protection and Affordable Care Act* will provide quality, affordable health care options for small businesses.

Increase Quality, Affordable Options for Small Businesses

- ✓ The *Patient Protection and Affordable Care Act* will provide small business with up to 100 employees access to state-based Small Business Health Options Program (SHOP) Exchanges. These Exchanges would include web portals that provide standardized, easy-to-understand information that make comparing and purchasing health care coverage easier for small business employees, and reduce the administrative hassle that small businesses currently face in offering plans.
- ✓ Small businesses growing beyond the upper employee limit in the SHOP Exchange will continue to purchase health insurance through the Exchange.
- ✓ Beginning in 2017, states could allow businesses with more than 100 employees to purchase coverage in the SHOP Exchange.
- ✓ The Patient Protection and Affordable Care Act will streamline health plans to keep premiums lower by instituting a premium rate review process and setting standards for how much insurance companies can spend on administrative costs.

Small Business Health Care Affordability Tax Credits

- ✓ The *Patient Protection and Affordable Care Act* will provide a sliding scale tax credit to small employers with fewer than 25 employees and average annual wages of less than \$50,000 that purchase health insurance for employees. The full credit will be available to employers with 10 or fewer employees and average annual wages of less than \$25,000. To be eligible for a tax credit, the employer must contribute at least 50 percent of the total premium cost.
 - For 2010 through 2013, eligible employers will receive a small business credit for up to 35 percent of their contribution toward the employee's health insurance premium. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 25 percent of their contribution.
 - In 2014 and later, eligible employers who purchase coverage through the Exchange can receive a tax credit for two years of up to 50 percent of their contribution. Tax-exempt small businesses meeting the above requirements are eligible for tax credits of up to 35 percent of their contribution.
- ✓ An estimated 3.6 million small businesses nationwide will qualify for the tax credit.

Providing Immediate Information to Small Businesses on Affordable Health Care Options

- ✓ The *Patient Protection and Affordable Care Act* will establish an Internet portal where individuals can easily access information about affordable and comprehensive coverage options. The web portal will also provide information to small businesses about available health coverage options, including information regarding reinsurance for early retirees, small business tax credits, and other information specifically for small businesses regarding affordable health care options.

Security and Stability that Promotes Entrepreneurship

- ✓ The *Patient Protection and Affordable Care Act* will end the discriminatory insurance industry practices of jacking up premiums by up to 200 percent because an employee got sick or older, or because the business hired a woman.

Ensure Employer Responsibility Exempts Small Firms

- ✓ The *Patient Protection and Affordable Care Act* will exempt employers with 50 or fewer employees from any employer responsibility provision.

Ensuring Small Business Administration Resource Partners Are Eligible for Awareness Grants

- ✓ To ensure small businesses are aware of the insurance options available to them, Small Business Development Centers and all Small Business Administration partners will be eligible for awareness grants, including Women's Business Centers, SCORE, Minority Business Centers, Veteran Business Centers, and others.

Reviewing the Impact of Reform on Small Businesses

- ✓ The *Patient Protection and Affordable Care Act* will require the Government Accountability Office (GAO) to specifically review the impact of Exchanges on access to affordable health care for small businesses to ensure that Exchanges are indeed making a difference for small business owners.

Adhering to Small Business Contracting Regulations

- ✓ The *Patient Protection and Affordable Care Act* clearly states that agencies cannot waive the Federal Acquisition Regulation, which requires them to report small business contracting numbers and meet small business contracting goals of 23 percent.

Clarifying Part-Time Worker Definition

- ✓ The *Patient Protection and Affordable Care Act* defines a full-time employee is an employee who works on average at least 30 hours per week when calculated on a monthly basis, which takes into account fluctuation in employee work hours from week to week in a given month.

Small Business Representation on Workforce Commission

- ✓ The *Patient Protection and Affordable Care Act* will establish a national workforce commission to gather information on the health care workforce and better coordinate and implement workforce planning and analysis, and ensures that small businesses will be represented on the commission.

Increasing Access to Workplace Wellness Programs

- ✓ The *Patient Protection and Affordable Care Act* will authorize grants to help small business employees access comprehensive workplace wellness programs.